Department of Finance

2007-03072/

News Release

Immediate release

Ottawa, September 25, 2006
2006-048

Canada's New Government Is Getting Things Done by Providing Additional Funding for Transit, Housing and Education

The Honourable Jim Flaherty, Minister of Finance, announced today that Canada's New Government is providing the provinces and territories with an additional one-time federal funding of $3.3 billion to invest in post-secondary education, public transit and affordable housing. The Government is also providing $320 million in support for international initiatives.

"This funding will provide the provinces and territories with significant new resources to invest in key priority areas that will benefit families and taxpayers throughout the country," said Minister Flaherty. "Our government made a commitment to provide this funding, and as we have demonstrated time and time again, we keep our commitments."

Canada's New Government is authorized to make payments to the provinces and territories not exceeding $4.5 billion from surpluses in excess of $2 billion in the two fiscal years 2005–06 and 2006–07. Now that the federal *Annual Financial Report of the Government of Canada* has been released, the money will begin to flow.

The provinces and territories were provided with general operating principles, encouraging investments in capital and increased capacity. Areas of investment include:

- **Public transit**—rapid transit capital assets and rolling stock, Intelligent Transportation Systems or High Occupancy Vehicle lanes.
- **Post-secondary education**—modernizing classrooms, laboratories and research facilities, updating training equipment, developing interactive library technologies and facilities, or enhancing distance-learning technologies.
- **Affordable housing**—building new affordable rental units or increasing the supply of transitional and supportive housing.

- **Northern housing**—increasing the supply of rental housing, as well as transitional and supportive housing, in the North.

- **Off-reserve Aboriginal housing**—support housing for Aboriginal Canadians living off-reserve through increased supply of rental housing, enhanced opportunities for home ownership, or increased supply of transitional and supportive housing.

"We have a tremendous opportunity to invest in much-needed infrastructure that will improve our communities and our quality of life," added Minister Flaherty. "I encourage everyone to contact their provincial or territorial representative to let them know how they want to see this money spent."

The provinces and territories have the flexibility to use this money to fund any transit, post-secondary education or affordable housing project they identify as a need.

Details on the distribution of this funding can be found in the attached backgrounder.

For further information, media may contact:

Eric Richer
Press Secretary
Office of the Minister of Finance
613-996-7861

David Gamble
Media Relations
Department of Finance
613-996-8080

www.fin.gc.ca

If you would like to receive automatic e-mail notification of all news releases, please visit the Department of Finance website at www.fin.gc.ca/scripts/register_e.asp

Department of Finance

Backgrounder

September 25, 2006

One-Time Funding to Provinces and Territories

The 2005–06 *Annual Financial Report of the Government of Canada* confirmed the availability of funds to provide for $3.3 billion in federal financial support to help provinces and territories deal with immediate pressures in post-secondary education, affordable housing and public transit, as well as over $320 million in support for international initiatives.

As specified in Budget 2006, the scope of this one-time funding was contingent on the availability of surplus funds in excess of $2 billion for fiscal year 2005–06. This support is made available to provinces and territories in order to meet the investment priorities of Canadians, including to deliver cleaner air and less congestion in Canada's cities.

Payments to provinces and territories will be made through five third-party trusts announced in the May 2006 Budget:

- **$1 billion for the Post-Secondary Education Infrastructure Trust** to support investments to promote innovation and accessibility, including investments in university and college infrastructure and equipment. Funding will be notionally allocated over two years (2006–07 and 2007–08) on an equal per capita basis among provinces and territories.
- **$900 million for the Public Transit Capital Trust** in support of capital investments in public transit infrastructure both as a means to reduce traffic congestion and to reduce carbon dioxide and other emissions in order to deliver real action on Canada's environment. Funding will be notionally allocated over three years (2006–07 to 2008–09) on an equal per capita basis among provinces and territories.
- **$800 million for the Affordable Housing Trust** to help address short-term pressures with regard to the supply of affordable housing. Funding will be notionally allocated over three years (2006–07 to 2008–09) on an equal per capita basis among provinces and territories.
- **$300 million for the Northern Housing Trust** to help meet short-term pressures with regard to the supply of affordable housing in the North.

Funding will be notionally allocated over three years (2006–07 to 2008–09) among the three territories as follows: $50 million each for the Yukon, the Northwest Territories and Nunavut, plus an additional $150 million for urgent needs in Nunavut.

- **$300 million for the Off-Reserve Aboriginal Housing Trust** to help provinces address short-term housing needs for Aboriginal Canadians living off-reserve. Funding will be notionally allocated over three years (2006–07 to 2008–09) among provinces based on the provincial share of the Aboriginal population living off-reserve.

The $320 million in support for international initiatives will help developing countries better deal with unforeseen financial shocks and the fight against devastating disease by providing:

- $25 million for the International Monetary Fund's (IMF's) Exogenous Shocks Facility to provide short-term financing to low-income IMF members facing balance of payments crises, including those caused by natural disasters or a sharp rise in commodity prices.
- $250 million for the Global Fund to Fight Aids, Malaria and Tuberculosis.
- $45 million for the Global Polio Eradication Initiative.

One-Time Allocation of Provincial-Territorial Funding
($ millions)

	2006–07	2007–08	2008–09	Total
Newfoundland and Labrador	20.1	20.0	10.5	**50.6**
Prince Edward Island	4.9	4.9	2.3	**12.2**
Nova Scotia	34.4	34.2	16.9	**85.4**
New Brunswick	27.7	27.5	13.7	**68.9**
Quebec	271.1	270.4	129.5	**670.9**
Ontario	455.2	456.3	222.5	**1,134.1**
Manitoba	50.8	50.7	28.9	**130.4**
Saskatchewan	42.3	42.0	23.7	**108.1**
Alberta	127.4	127.7	67.0	**322.2**
British Columbia	162.3	162.7	83.4	**408.5**
Yukon	17.7	17.7	17.1	**52.6**
Northwest Territories	18.1	18.2	17.3	**53.6**
Nunavut	67.7	67.7	67.1	**202.5**
TOTAL	**1,300.0**	**1,300.0**	**700.0**	**3,300.0**

Totals may not add due to rounding

Post-Secondary Education Infrastructure Trust
Equal per Capita Provincial/Territorial Allocation
($ millions)

	2006–07	2007–08	Total
Newfoundland and Labrador	7.9	7.8	15.8
Prince Edward Island	2.1	2.1	4.3
Nova Scotia	14.4	14.4	28.8
New Brunswick	11.6	11.5	23.1
Quebec	117.4	117.1	234.5
Ontario	194.8	195.3	390.0
Manitoba	18.2	18.1	36.3
Saskatchewan	15.3	15.1	30.3
Alberta	50.6	50.7	101.3
British Columbia	66.1	66.3	132.3
Yukon	0.48	0.47	0.95
Northwest Territories	0.67	0.67	1.35
Nunavut	0.46	0.46	0.92
TOTAL	500.0	500.0	1,000.0

Totals may not add due to rounding

Public Transit Capital Trust
Equal per Capita Provincial/Territorial Allocation
($ millions)

	2006–07	2007–08	2008–09	Total
Newfoundland and Labrador	4.8	4.7	4.7	14.1
Prince Edward Island	1.3	1.3	1.3	3.8
Nova Scotia	8.7	8.6	8.6	25.8
New Brunswick	6.9	6.9	6.8	20.7
Quebec	70.5	70.3	70.1	210.8
Ontario	116.9	117.2	117.5	351.5
Manitoba	10.9	10.9	10.8	32.6
Saskatchewan	9.2	9.1	9.0	27.2
Alberta	30.3	30.4	30.5	91.3
British Columbia	39.6	39.8	39.9	119.3
Yukon	0.29	0.28	0.28	0.85
Northwest Territories	0.40	0.40	0.41	1.21
Nunavut	0.28	0.28	0.28	0.83
TOTAL	300.0	300.0	300.0	900.0

Totals may not add due to rounding

Affordable Housing Trust
Equal per Capita Provincial/Territorial Allocation
($ millions)

	2006–07	2007–08	2008–09	Total
Newfoundland and Labrador	4.8	4.7	3.1	**12.6**
Prince Edward Island	1.3	1.3	0.8	**3.4**
Nova Scotia	8.7	8.6	5.7	**23.0**
New Brunswick	6.9	6.9	4.6	**18.4**
Quebec	70.5	70.3	46.7	**187.4**
Ontario	116.9	117.2	78.3	**312.3**
Manitoba	10.9	10.9	7.2	**29.0**
Saskatchewan	9.2	9.1	6.0	**24.2**
Alberta	30.3	30.4	20.4	**81.1**
British Columbia	39.6	39.8	26.6	**106.0**
Yukon	0.29	0.28	0.19	**0.76**
Northwest Territories	0.40	0.40	0.27	**1.08**
Nunavut	0.28	0.28	0.18	**0.74**
TOTAL	**300.0**	**300.0**	**200.0**	**800.0**

Totals may not add due to rounding

Off-Reserve Aboriginal Housing Trust
($ millions)

	2006–07	2007–08	2008–09	Total
Newfoundland and Labrador	2.7	2.7	2.7	**8.2**
Prince Edward Island	0.2	0.2	0.2	**0.7**
Nova Scotia	2.6	2.6	2.6	**7.8**
New Brunswick	2.2	2.2	2.2	**6.7**
Quebec	12.7	12.7	12.7	**38.2**
Ontario	26.7	26.7	26.7	**80.2**
Manitoba	10.8	10.8	10.8	**32.5**
Saskatchewan	8.8	8.8	8.8	**26.4**
Alberta	16.1	16.1	16.1	**48.4**
British Columbia	17.0	17.0	17.0	**50.9**
TOTAL	**100.0**	**100.0**	**100.0**	**300.00**

Population shares for Aboriginal Canadians living off-reserve based on 2001 census.
Totals may not add due to rounding

Northern Housing Trust ($ millions)				
	2006–07	2007–08	2008–09	Total
Yukon	16.7	16.7	16.7	50.0
Northwest Territories	16.7	16.7	16.7	50.0
Nunavut	66.7	66.7	66.7	200.0
TOTAL	100.0	100.0	100.0	300.0

Totals may not add due to rounding

This backgrounder is available online at www.fin.gc.ca

For further information, media may contact:

Eric Richer
Press Secretary
Office of the Minister of Finance
613-996-7861

David Gamble
Media Relations
Department of Finance
613-996-8080